



# AFT PHARMACEUTICALS

Investor Presentation: H1 FY2019

November 2018



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# H1 FY2019 HIGHLIGHTS

**128**

countries that *Maxigesic* is licensed in – up from 125 at the end of FY2018

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**15**

countries that *Maxigesic* is launched and sold in

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**5**

number of clinical studies AFT have running in FY2019

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**\$40.2m**

total income for H1 FY2019\*

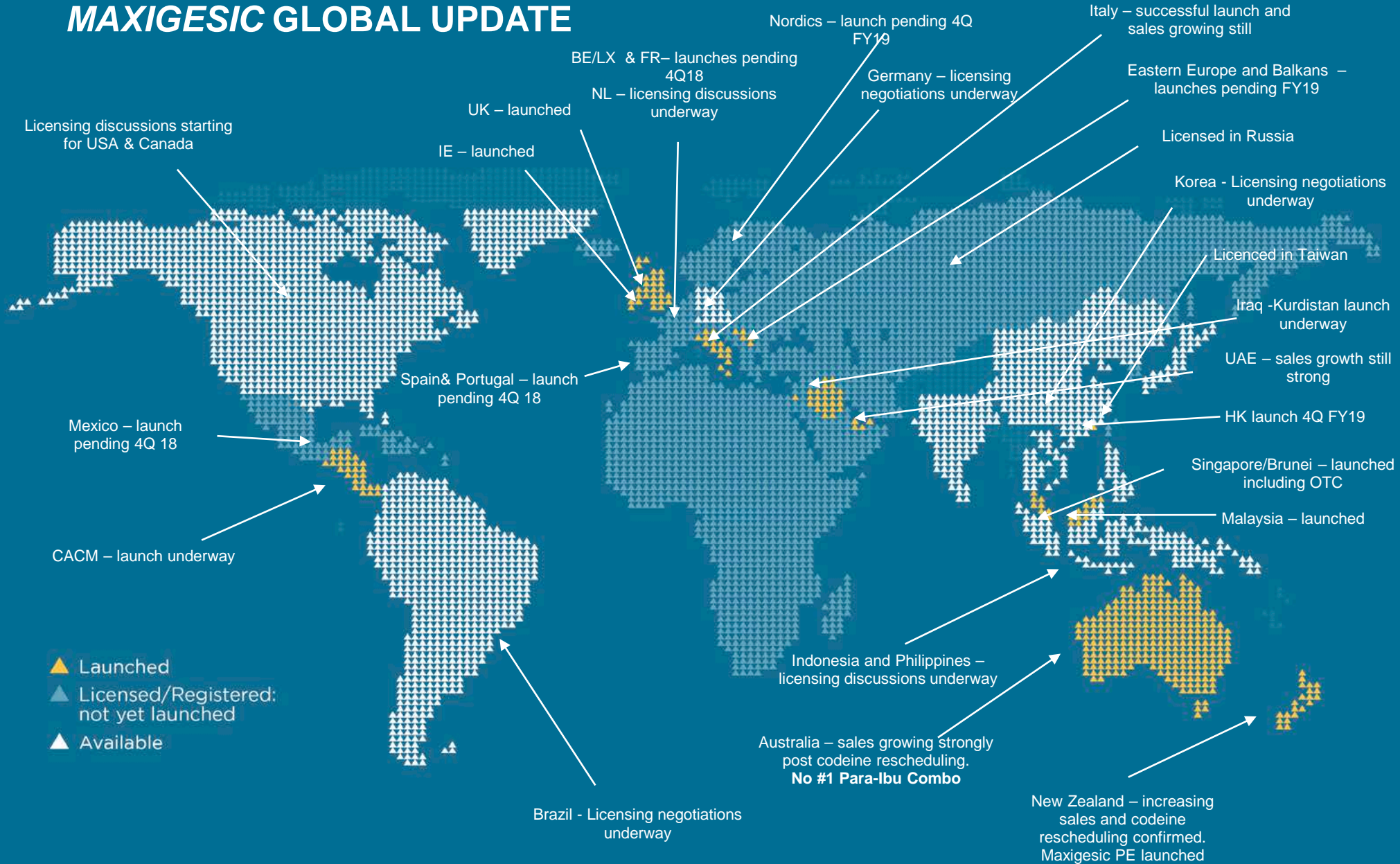
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**\$7.4m**

available cash as at 30 September 2018 – up from \$6.8m at the end of FY2018.

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# MAXIGESIC GLOBAL UPDATE



# MAXIGESIC HIGHLIGHTS

Additional out-licensing and distribution agreements for **Maxigesic** oral dose forms have been secured to increase the number of countries to **128**.

Numerous **Maxigesic** registrations underway which are required before many launches can occur

EU registrations confirmed in 25 countries. Remaining 3 underway.

Most of the remaining countries use EU registration as a reference standard

Additional dose forms (IV and Oral Liquid) regulatory filings initiated.

**Maxigesic IV** successful FDA pre NDA filing meeting.

**Maxigesic Oral** FDA registration expected in calendar 2019.

**SUMMARY:** Drive sales by

- [1] Increasing sales in **Australia post codeine switch**
- [2] Increasing sales in existing territories
- [3] Launches in new territories
- [4] Launch additional dose forms starting in FY20



# NasoSURF NEBULISER: Future growth strategy

<b>Product description</b>	<p>A handheld ultrasonic nasal mesh nebuliser for the intranasal delivery of medication and treatment of chronic sinusitis</p>
<b>Rationale for investment in product</b>	<ul style="list-style-type: none"> <li>• To expand our existing hospital product ranges locally</li> <li>• Significant global potential</li> <li>• First drug delivery indication a significant potential market – US\$1.2B in USA alone [Based upon market research studies in USA and UK]</li> </ul>
<b>Current status</b>	<ul style="list-style-type: none"> <li>• Registered as Class I Device with FDA as planned</li> <li>• Completed Human Factor Studies</li> <li>• Targeting Class IIA Device filing Apr/May 19</li> </ul>
<b>Our medium term plans</b>	<ul style="list-style-type: none"> <li>• FDA Pre-IND meeting completed</li> <li>• Development pathway clarified with FDA</li> <li>• Human factor studies identified some redesign requirements</li> <li>• Distribution studies underway</li> <li>• IND opening with redesigned device now FY2020</li> <li>• First Drug PK studies targeted to commence in FY2020 after opening IND</li> <li>• First Drug Clinical Studies targeted to start FY2020 after opening IND</li> <li>• Licensing negotiations during FY2020</li> </ul>

The NasoSURF Nebuliser has desirable features over currently marketed nebulisers, which are not approved for delivery of specific drugs intranasally and do not possess a number of the advantages of the NasoSURF Nebuliser



Sales will be generated from

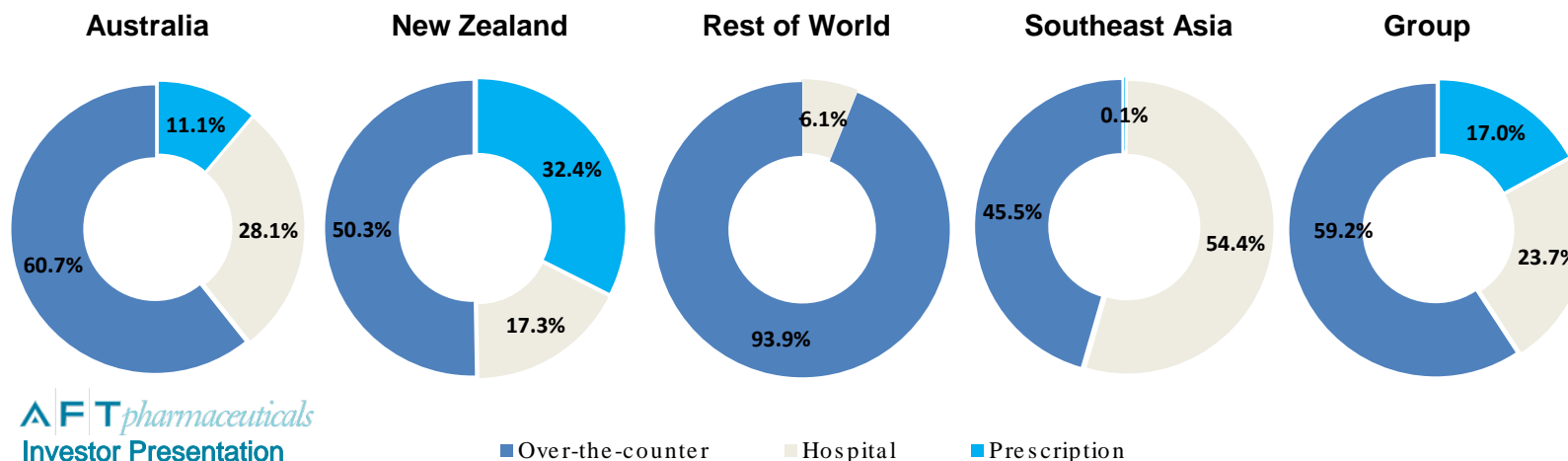
- 1) device sales,
- 2) a per use charge administered through RFID (radio frequency identifier) cards, and
- 3) consumables

# REVENUE BY REGION AND CHANNEL

## Operating revenue by region, H1 FY2019 versus H1 FY2018

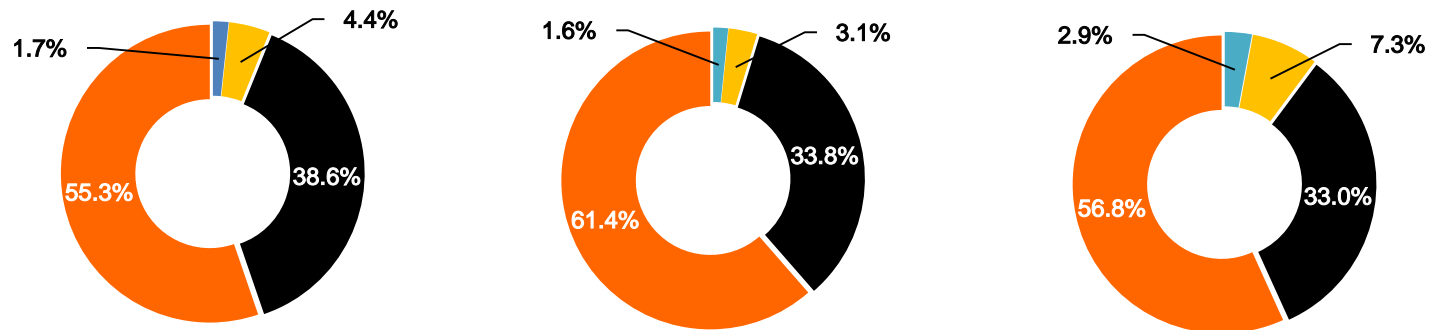
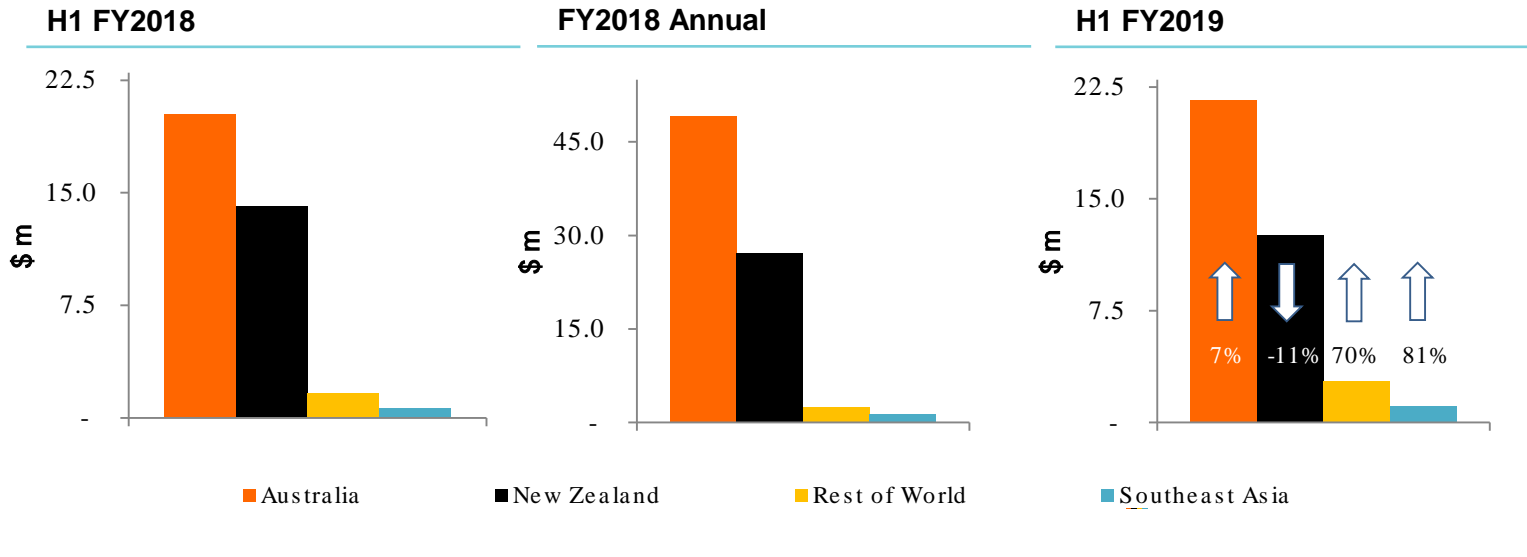
NZ\$'000's Half Year to 30 September	H1 FY2019	% of total	H1 FY2018	% of total
Australia	21,601	56.8%	20,206	55.3%
YoY growth	7%			
New Zealand	12,565	33.0%	14,113	38.6%
YoY growth	-11%			
Rest of World	2,760	7.3%	1,624	4.4%
YoY growth	70%			
Southeast Asia	1,118	2.9%	618	1.7%
YoY growth	81%			
<b>Total Operating Revenue</b>	<b>38,045</b>	<b>100%</b>	<b>36,561</b>	<b>100%</b>
YoY growth	4%			

## Operating revenue by channel by region, H1 FY2019



# REVENUE GROWTH

Operating revenue by region, H1 FY2019 – H1 FY2018





# SUMMARY P&L

NZ\$'000's Half Year to 30 September	H1 FY2019	% of revenue	H1 FY2018	% of revenue
Revenue	38,045		36,561	
Cost of Sales	(20,292)	53.3%	(22,256)	60.9%
<b>Gross Profit</b>	<b>17,753</b>	<b>46.7%</b>	<b>14,305</b>	<b>39.1%</b>
Other Income	2,430	6.4%	1,014	2.8%
Selling and distribution expenses	(14,234)	37.4%	(12,771)	34.9%
General and administrative expenses	(3,489)	9.2%	(3,618)	9.9%
Research and development expenses	(2,225)	5.8%	(4,982)	13.6%
Equity accounted loss of joint venture entity	(344)	0.9%	(616)	1.7%
<b>Operating Loss</b>	<b>(109)</b>		<b>(6,668)</b>	
Finance Income	16		96	
Finance Costs	(2,481)		(1,590)	
Other gains / (Losses)	(1,690)		1,589	
<b>Loss before tax</b>	<b>(4,264)</b>		<b>(6,573)</b>	
Tax benefit/(expense)	76		(300)	
<b>Loss after tax</b>	<b>(4,188)</b>		<b>(6,873)</b>	

# SUMMARY BALANCE SHEET

NZ\$'000's	Unaudited 30 Sept '19	Audited 31 March '18	Unaudited 30 Sept '18
<b>ASSETS</b>			
<b>Current Assets</b>			
Inventories	27,815	24,412	23,697
Trade and other receivables	12,993	16,954	14,954
Cash and cash equivalents	7,400	6,770	7,197
Derivative assets	481	176	127
<b>Total current assets</b>	<b>48,689</b>	<b>48,312</b>	<b>45,975</b>
<b>Non-current Assets</b>			
Property, plant and equipment	335	330	374
Intangible assets	7,089	5,118	2,744
Deferred income tax assets	800	708	342
Investment in joint venture entity	2,493	2,135	1,808
<b>Total assets</b>	<b>59,406</b>	<b>56,603</b>	<b>51,243</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11,628	17,391	13,245
Provisions	2,880	1,098	1,424
Current income tax liability	-	118	-
<b>Total current liabilities</b>	<b>14,508</b>	<b>18,607</b>	<b>14,669</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities	41,938	30,654	23,244
<b>Total liabilities</b>	<b>56,446</b>	<b>49,261</b>	<b>37,913</b>
<b>Equity</b>			
Share Capital	63,743	63,743	63,743
Retained earnings	(62,289)	(57,644)	(51,349)
Share options reserve	521	430	399
Redeemable Preference Share Reserve	879	483	291
Foreign currency translation reserve	106	330	246
<b>Total equity</b>	<b>2,960</b>	<b>7,342</b>	<b>13,330</b>
<b>Total liabilities and equity</b>	<b>59,406</b>	<b>56,603</b>	<b>51,243</b>

# SUMMARY CASHFLOW STATEMENT

NZ\$'000's Half Year to 30 September	H1 FY2018	H1 FY2017
Net cash used in operating activities	(4,339)	(7,678)
Net cash used in investing activities	(2,821)	(2,144)
Net cash generated from financing activities	7,417	745
<b>Net increase in cash</b>	<b>257</b>	<b>(9,077)</b>
Impact of foreign exchange on cash and cash equivalents	373	294
Opening cash and cash equivalents	6,770	15,905
<b>Closing cash and cash equivalents</b>	<b>7,400</b>	<b>7,122</b>

# SUMMARY OF NEAR TERM PLANS

## Drive Increased International Sales



Phased launches of *Maxigesic* in additional countries including larger EU territories and North America

## Drive Increased Upfront Payments



Further licensing agreements for *Maxigesic* and *Maxigesic IV* in larger markets including North America

## Drive Local Australian Key Market Sales



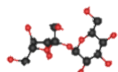
Build on *Maxigesic* market share and sales post codeine changes  
Register and launch line extensions starting in FY2020  
Build further revenues of OTC product sales in Australia

## Drive Revenues to Achieve Break Even



Break even targeted in the FY2019 time frame from increased higher margin product sales in home markets; increased licensing income from existing and new agreements; increased *Maxigesic* sales from existing and new markets  
Control of costs

## Drive Value of NasoSURF and Pascomer Projects



Completing the key development targets for *NasoSURF*  
Initiating human clinical studies program for *Pascomer*